

1 ST. AUGUSTINE - ST. JOHNS COUNTY AIRPORT AUTHORITY

2 Workshop Meeting

3 held at 4796 U.S. 1 North

4 St. Augustine, Florida

5 on Monday, March 21, 2005

6 from 3:00 p.m. to 4:00 p.m.

7 * * * * *

8 BOARD MEMBERS PRESENT:

- 9 WAYNE GEORGE, Chairman
- RANDY BRUNSON
- 10 SUZANNE GREEN

11 BOARD MEMBERS ABSENT:

- 12 JOHN "JACK" GORMAN
- BOB COX, Secretary-Treasurer

13 * * * * *

14 ALSO PRESENT:

15 DOUG BURNETT, Esquire, Rogers, Towers, Bailey,
 16 Jones & Gay, P.A., 170 Malaga Street, St. Augustine,
 FL, 32084, Attorney for Airport Authority.

17 EDWARD WUELLNER, A.A.E., Executive Director.

18 BRYAN COOPER, Assistant Airport Director.

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JANET M. BEASON, RPR, RMR, CRR

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3. MASTER PLAN - PRESENTATION BY LPA GROUP

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4. BOARD DISCUSSION

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5. PUBLIC COMMENT

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1 P R O C E E D I N G S

2 CHAIRMAN GEORGE: Are you ready?

3 MR. JUFKO: Yes, sir.

4 CHAIRMAN GEORGE: Okay. Let's go ahead and

5 get the 2:30 meeting started. This is the Airport

6 Authority workshop meeting to review the Master
7 Plan. And I apologize for the lateness getting
8 started, but we needed a quorum, which we now have
9 three members here. And our presenter who got
10 tied up in traffic, welcome.

11 MR. JUFKO: Thank you, sir.

12 CHAIRMAN GEORGE: And I will turn it over to
13 you guys.

14 MR. JUFKO: Glad to be here. What we're here
15 to talk about today is -- and there's nothing
16 showing here yet. I'll take a few moments to talk
17 while we're trying to pull some files up here.
18 But we are looking at some draft chapters that
19 I've passed around the table here.

20 This is what we call the implementation plan.
21 Very similar in nature to the financial-type plan
22 that y'all have been working with over the last
23 year and other years.

24 And the purpose of this is so that we can put
25 together a list of capital improvements over the

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1 course of the planning -- 20-year planning period
2 associated with the Master Plan.

3 The next step beyond identifying projects,
4 phasing them, costing them in the process, is to
5 place them -- the first step is to place them in a
6 manner that they would normally be constructed to
7 get timing for the engineering and design any
8 environmental-type phases, these kinds of things.

9 In addition to that, we take another step, a
10 follow-on step that looks at the finances, your
11 revenues and your expenditures that we know of
12 through your budget. And we, of course, had a
13 step up in having been here the last year and had
14 to be exposed to some of the ongoings here with
15 that.

16 By taking those numbers and placing our
17 projects in this -- at this first phase, we're
18 able to find out, now that we've populated a
19 similar financial plan for the Authority, with our
20 latest projects, we're able to see where the

21 shortfalls are, much like Mr. Wuellner did with
22 some of the projects that were in your Joint
23 Automated Capital Improvement Program that we work
24 with the FAA and the state on an annual basis.
25 What we found out is that over, excuse me --

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1 over the next 20 years, we're looking at a
2 significant program, \$189 million program, if
3 every single project was to be constructed.

4 The purpose of the financial plan is not to
5 program \$189 million of construction, but to look
6 at the next 10-year window. And actually, we're
7 looking at a little larger than a 10-year window
8 because we wanted to kind of have it coincide with
9 your ongoing plans. So, wanted to -- to let you
10 know just overall, that -- that's kind of the way
11 we're approaching this.

12 The purpose of today's workshop, from our
13 point of view, and of course it's to answer

14 whatever questions or go down whatever road you
15 want us to go down, is to let you know where those
16 shortfalls are in funding right now, also give you
17 a feel for some of the assumptions that we've
18 taken in our cash flow analysis. Some of them are
19 similar to what the Authority has done, and some
20 of them take a more conservative and strict
21 approach towards this.

22 What this does is if we're short money or we
23 have money left over at the end of the day and
24 we've -- we're more strict about it, that helps
25 you. That's sort of a buffer. So, we're -- we're

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1 happy about that. Some of the results that we
2 have seen so far only point out two years, at
3 least at this stage, the way that the phasing is,
4 that we're short some money. And there's some --
5 some recommendations that we'd like to offer to
6 y'all today to give you a feel where those kinds

7 of -- in those years, I think it's 2007 and 2010,
8 I believe.

9 MR. WUELLNER: 13.

10 MR. JUFKO: 13? Yes. You're right. Where
11 those shortfalls are kind of falling out right
12 now.

13 They actually happen to be associated with
14 some -- some significant hangar projects that we
15 have here in the south and in the north area that
16 we've slated, as well as the runway 13/31
17 extension and all their associated projects. And
18 we'll go from there.

19 What I'd like you to do, is it -- it may be
20 easier right now to look at the -- the document
21 that we have before you, but I'm going to try to
22 call this up and -- and talk at the same time.

23 That -- that could be dangerous.

24 Open sesame. If you look at the short term,
25 what we've done is our best -- and -- and -- and

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1 we'll try to also move this up a little bit so we
2 can see some things here.

3 There is the first period that we're all
4 looking at a shortfall, and if we go back out --
5 I'm wondering if it's updating it correctly here.
6 Hang on a second. I may have to open up the
7 files.

8 But let's look back at your -- at your paper
9 for a minute here. If you go to the 11 x 17
10 foldout here.

11 MR. BRUNSON: What -- what draft? Our
12 foldout?

13 MR. JUFKO: Yes, sir.

14 CHAIRMAN GEORGE: What page? 9 -- 19?

15 MR. JUFKO: If you go at -- at 19 and 20.
16 We're looking at -- at some areas, some years
17 where we have a shortfall. And this is just a
18 summary. What we did -- one of -- one of the
19 assumptions going into this is that we would start
20 off by leaving -- because of the work that's been

21 done so far to get off the tax roll, we wanted to

22 leave those numbers in place for now.

23 CHAIRMAN GEORGE: But this plan does show

24 that we're off the tax roll in the eighth year.

25 MR. JUFKO: Based on what was in your plan

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1 previous. And with that, and with the projects

2 phased the way we have them right now, we end up

3 with a shortfall in -- in -- in this year, as well

4 as -- yeah, I know this isn't --

5 MR. WUELLNER: It's '07.

6 MR. JUFKO: This isn't linking up. That's

7 why. This might have to go. The way my day's

8 going today, we're just going to have to go with

9 it. And then the 13th year.

10 What -- what we have here is there are a

11 number of -- of changes we can make. For example,

12 in that first shortfall period, that's primarily

13 related to the hangar development. Now, one would

14 think, if -- if you lay off the hangar
15 development, you won't have as many expenses, and
16 perhaps you wouldn't have that shortfall.

17 Well, the problem with that is, because there
18 are certain projects that are in this CIP right
19 now that are kind of on a fast track, and that --
20 and that project -- that set of projects would be
21 the runway, because we have the runway set up to
22 start environmental next year and do that as a
23 two-year process, followed by permitting and
24 preliminary design for the next year and a half,
25 followed by design for the year and a half that

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1 follows that.

2 What we end up with that point is a project
3 that's starting the construction phase, if all
4 goes well in a perfect world, in year 2010. Well,
5 the money that goes with that has -- we have to
6 start building that up now. And that, combined

7 with some of the hangar development that we have
8 going on in the next couple of years causes a
9 little problem here in the cash flow.

10 Now, there's -- there's another issue. When
11 we build something, we assume that something's
12 built in a particular year, we need to take the
13 same assumption that that had, where the revenue
14 flows the following year. And -- and we've done
15 that.

16 If you don't do that, then that revenue that
17 we're counting on isn't going to be able to put it
18 towards the following years. It's actually worse
19 not to build the hangars now, even though there's
20 a shortfall in that -- that one year.

21 CHAIRMAN GEORGE: If the revenue actually
22 starts nine months into the fiscal year, then
23 that's a plus.

24 MR. JUFKO: Absolutely.

25 CHAIRMAN GEORGE: We have another three

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1 months' worth of revenue. That's fine.

2 MR. JUFKO: Plus, there are some -- some
3 assumptions here that actually play in your favor.
4 And we -- we can go back to -- to that. In terms
5 of our revenues and our expenses, as Ed had used
6 the CPI to -- to make some of those adjustments,
7 we also used the CPI, but what we did is instead
8 of taking -- because CPI fluctuates from quarter
9 to quarter, day to day, actually. And there's
10 even differences between regional and -- and the
11 United States, the -- the federal.

12 However, we have a fairly reliable forecast
13 of CPI used by the Department of Energy that is
14 used in the energy industry, fuels and so on, and
15 because an airport is so closely related to this
16 industry and -- and has been experiencing issues
17 with rising fuel costs, we felt that this source
18 of this information would be a good source to use
19 for -- for this kind of exercise.

20 Plus, it gives us a forecast that we felt a
21 little more comfortable than just making an

22 assumption at this point, okay, if the CPI is
23 close to 2 right now, 2.0, let's just use that for
24 the rest.

25 There's nothing wrong with that; however, by

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1 doing this -- it's actually below 2 now. And as
2 we move up into the -- to the period that we've
3 evaluated, it actually increases beyond that. So,
4 you get the --

5 CHAIRMAN GEORGE: Okay.

6 MR. JUFKO: -- benefit from that as well.

7 CHAIRMAN GEORGE: Do you agree with that, Ed?

8 MR. WUELLNER: Yeah. I mean, it's certainly
9 a valid measurement.

10 CHAIRMAN GEORGE: I just didn't know if FAA,
11 in overlooking the plan, how much flexibility they
12 give you in forecasting revenue based on CPI, just
13 as long as it's consistent with them.

14 MR. WUELLNER: I would say currently, FAA is

15 not going to -- would not buy that particular
16 method of -- for integrating into a specific lease
17 document. It's certainly valid for purposes of
18 forecasting.

19 CHAIRMAN GEORGE: Okay. Fine. Thanks.

20 MR. JUFKO: The -- remember, the purpose of
21 this is to show the FAA, as well as show the DOT,
22 the two major grantors, that you indeed have the
23 resources to pay for your share of any grants that
24 come your way.

25 CHAIRMAN GEORGE: Okay.

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1 MR. JUFKO: That's -- that's the bottom line.

2 CHAIRMAN GEORGE: All right.

3 MR. JUFKO: We've seen where you've built
4 hangars here and filled them up like that and --
5 and revenues are flowing. And it doesn't seem to
6 be a problem here in -- in meeting your side.

7 It's just that we want to be able to show on paper

8 using methods that are accepted.

9 Now, there are some other -- some other
10 issues in -- in the forecast that y'all have,
11 where there actually was some safety margins put
12 into, let's say expenses. Besides using CPI,
13 we -- we also had like another half percent on top
14 of that in -- in the airports.

15 What we did is we went with the CPI forecast
16 and didn't put that extra measure or that margin.
17 We wanted to see what the worst-case scenario
18 would be, and if we needed to, you know, we can --
19 we can go that route.

20 There's also some assumptions that we did
21 agree with and -- and felt that we weren't the
22 experts to comment on, and that had to do with
23 some staffing and insurance costs and things that
24 you're currently feeling here on a year-to-year
25 basis. So, there's -- there's aspects -- and also

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1 in terms of the activities, in terms of the buyout
2 of properties and so on, and collecting of rents
3 with those properties, they're still making the
4 transition.

5 Those -- those types of revenues, we -- we
6 kept as is. We wanted to be able to -- to
7 manipulate, using accepted standards, those areas
8 that are your key contributors to this financial
9 plan. And that has to do with your hangar rents,
10 your leases, as well as the fuel flow -- flowage.

11 And also, in -- in reference to the fuel
12 flow, there's a couple of different schools of
13 thought. And we also wanted to get something we
14 could kind of hang our hat on.

15 Fuel usually tracks very well with
16 operational activity at the airport over a period
17 of time. You know, from year to year, from
18 short-term periods, it can vary, but there is
19 usually a relationship between fuel flow at the
20 airport and the overall operations. So, we're
21 able to find and -- and determine that, that

22 relationship, and -- and take that relationship
23 and apply it to the last year's available data
24 that we had, and forecasted that flowage revenue
25 to the airport at the -- at the rate that you're

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1 currently -- that return that you're currently
2 getting now, and growing that as operations are
3 forecast to grow.

4 We wanted to do that for -- for main reason
5 because it keeps it consistent with what we're
6 saying in the Master Plan.

7 CHAIRMAN GEORGE: Okay.

8 MR. JUFKO: Now, I know there's a lot of
9 folks that -- that, you know, have talked to me
10 about the forecast in general, but the point is,
11 we do have a forecast and we can project this out.
12 Now, if you exceed that, well, goody for you. You
13 win. You get more revenue.

14 Now, we realize that you're currently in the

15 midst of probably today, isn't it, an item on the
16 agenda, to talk about, you know, the fuel
17 arrangements here. That's the purpose of -- of
18 getting together here, because if something does
19 come out of that where you would prefer to reflect
20 that in a different manner in -- in our analysis,
21 we can do that. What that does is it -- it will
22 give us a clear picture as to what projects need
23 to go or move.

24 But as I said, in the short term, certain
25 projects aren't going to be able to move that

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1 easily. And I have to point out the runway
2 projects. The runway project 13 -- 13/31, is --
3 is basically on a fast track. It could actually
4 extend a year or so, depending on this wildcard
5 called environmental. So, we -- we just try to
6 make some -- some good logical assumptions
7 regarding that.

8 Also, in terms of our costs -- and we'll talk
9 a little more about this in a moment. Our costs
10 are based on construction costs. It's 2005
11 dollars, and it also adds on a standard 30 percent
12 contingency, which it includes costs for any
13 unforeseen events and -- and also includes design.
14 So, all of that's in there.

15 We had gone through the current JACIP and
16 tried to match up projects, not an easy task. And
17 we still have a little bit of work left to do
18 in -- in terms of that. You'll notice when you do
19 finally get to -- to review some of the early
20 stages here, we did show early years like '04 and
21 '05. And those will be -- those will be updated,
22 just to -- to show what you've currently done out
23 here.

24 That doesn't affect your plan, but we're
25 trying to be consistent with the rest of the

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1 Master Plan planning period, so to speak.

2 But in terms of the -- of the costs, we've

3 tried to combine projects for a couple of reasons.

4 One, you want to be able to know, this is all

5 south GA area related, as opposed to something you

6 really can't hang your hat on.

7 The other -- the other deal is that FAA is

8 changing and the DOT is changing the way that

9 these are captured in their system, and -- and

10 it's kind of in support of that as well.

11 You can actually track projects out for

12 several years, using a same number, and have all

13 the different components that are part of that

14 entire project listed on multiple years.

15 And we've -- we've done our best to break out

16 the costs here over those years on those multiyear

17 projects, realize that there may be some tweaking

18 here and there on that. But we've also tried to

19 look at the big projects and look at the years in

20 between and try to bring on those revenue

21 generator-type projects. Want to get those built

22 when you have the means so that the money is

23 flowing ahead of time so you can build a runway or
24 a taxiway extension or what have you.

25 CHAIRMAN GEORGE: Your -- excuse me just a

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1 second.

2 MR. JUFKO: Go right ahead.

3 CHAIRMAN GEORGE: Your estimate of revenues
4 from these construction projects, was that done
5 like on a return-on-investment percentage or was
6 that done -- how was that --

7 MR. JUFKO: No, that's excellent -- that's an
8 excellent point. In terms of hangar
9 development --

10 CHAIRMAN GEORGE: Okay.

11 MR. JUFKO: -- we wanted to be able to
12 utilize some methodology that is out there, that's
13 common. And it deals with utilizing -- it's --
14 it's in a way a return on investment. It takes at
15 a minimum a 7 percent return off the initial cost,

16 the total construction cost of that project, and
17 that is normally at -- at a minimum, considered a
18 reasonable rate to charge for that structure.

19 It is also escalated by CPI traditionally
20 over the years, and in approximately every five
21 years, you reevaluate by appraising that unit,
22 that hangar, that structure.

23 CHAIRMAN GEORGE: So -- but your forecast, if
24 you're putting in construction dollars to be
25 expended one year and you're going to have revenue

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1 coming in the next year --

2 MR. JUFKO: The very next year.

3 CHAIRMAN GEORGE: You have the revenue coming
4 in at a 7 percent return on the St. Johns County
5 investment in that property, not necessarily
6 match --

7 MR. JUFKO: Based on -- yeah, that annual
8 fee.

9 CHAIRMAN GEORGE: And that was CPI'd so it's
10 a gross. That's good. Okay.

11 MR. JUFKO: And actually tracks, not that we
12 really didn't have an idea of how it was going to
13 work out in the future for you, and -- and what
14 your internal thoughts were on that, but it
15 actually worked out very close --

16 CHAIRMAN GEORGE: I think that's a good
17 conservative --

18 MR. JUFKO: -- to what y'all had in your --
19 in your plan. We were very surprised to see that.

20 Actually, that level can go up. And now we
21 just started with the minimum. And -- and if
22 you're in a market that will bear a higher
23 percentage, then of course you could.

24 CHAIRMAN GEORGE: Yeah. Okay.

25 MR. JUFKO: This actually may be a market

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1 that could bear a higher percentage, based on what

2 I've seen out here. So there's -- there's --

3 CHAIRMAN GEORGE: Just wanted to make sure
4 the methodology was consistent throughout the
5 whole thing. And the more we put in that there is
6 an upward exposure to us receiving more revenue
7 than the cost, then that's just -- gives me a
8 little bit more faith that the plan's doable.

9 MR. JUFKO: Right. It's not a plug number,
10 so to speak.

11 CHAIRMAN GEORGE: Okay.

12 MR. JUFKO: It's a -- it's a number that is
13 based off of what the investment is.

14 CHAIRMAN GEORGE: Okay.

15 MR. JUFKO: And that applies across the board
16 for -- for all the hangars.

17 CHAIRMAN GEORGE: Okay.

18 MR. JUFKO: The other -- the fuel flow, like
19 I said, we -- we've tied it to activity, and
20 there's a relationship that we've been able to
21 utilize here. As new capacity comes on, there is
22 potential for -- for the flowage to increase. But

23 you have to remember, if -- just because you add a
24 tank doesn't mean that you're going to sell more
25 fuel.

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1 CHAIRMAN GEORGE: Right.

2 MR. JUFKO: So, we had to go with something
3 that, you know, we could kind of hang our hat on.
4 So, that's why we started with that.

5 And I'm trying to identify here -- of course,
6 there were certain reserves and -- and so on that
7 the Authority had already in place, so we -- we
8 just kept and -- and went with that. But -- but
9 primarily, this was centered -- this whole
10 activity was centered around when we build it, how
11 we spread the money, and where do we end up at the
12 end of the day. Okay?

13 We can go into some discussion here, but the
14 bottom line is that shifting, at least for the
15 short term, shortfall, shifting the projects

16 wouldn't necessarily alleviate that problem. You
17 may be looking at adjusting millage maybe for a
18 year. You may look at in keeping the same period.
19 You may look at increasing all of those years just
20 a hair to come up with the amount that you're
21 missing. You may want to go on the tail end and
22 add a year of collection.

23 You know, those are decisions that you need
24 to make, but we wanted to be able to point out
25 what you could do, because my sense was -- and you

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1 can correct me if I'm wrong -- that you didn't
2 want to go into loans. You didn't want to go out
3 and take loans to make up for a shortage when you
4 have these other choices available to you.

5 You're actually in pretty good shape,
6 actually. I -- I was very surprised only to see
7 two years where we had this instance this early in
8 the game.

9 Usually when we spread out projects like
10 this, it pops up at least four or five years over
11 the course of this period where we've got ups and
12 downs. And I guess the -- the main reason that we
13 don't is because we have a fairly proactive hangar
14 development program right now. The sooner you
15 develop now, the sooner the money flows. And then
16 you're -- you're preparing yourself for the
17 projects that come in -- in the 2010 range.

18 MR. WUELLNER: Is it -- is it not true also
19 that you in no way considered or used reserve
20 funds, either?

21 MR. JUFKO: Yeah.

22 MR. WUELLNER: Which means that in theory you
23 don't even need to be --

24 CHAIRMAN GEORGE: Well --

25 MR. WUELLNER: The numbers involved are

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1 not --

2 MS. GREEN: Yeah --

3 MR. WUELLNER: -- you know, astronomical

4 numbers that you're out there having to -- you

5 could easily fund out of reserves --

6 MS. GREEN: Reserves keep growing --

7 MR. WUELLNER: -- the two years and be done

8 with it.

9 MS. GREEN: -- as I see, there's not a

10 down --

11 MR. JUFKO: That's your -- your decision. We

12 wanted to give you a fairly realistic picture.

13 And like we said, we took some of those factors

14 that were in there to kind of give you a little

15 buffer, and we took a lot of those out. We wanted

16 to show you exactly how you sat, how it would be

17 out there if you totally put a lot of faith in the

18 CPI.

19 CHAIRMAN GEORGE: Okay. I'm -- the first

20 chart you showed, you showed we had a -- was it a

21 \$30,000 shortfall in the year '07-'08?

22 MR. WUELLNER: '07.

23 CHAIRMAN GEORGE: This shows we have a loss

24 of \$439,000 that year, so...

25 MS. GREEN: That's different than what was up

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1 there.

2 MR. JUFKO: It was different on there.

3 MS. GREEN: Right.

4 MR. JUFKO: You were looking up there?

5 MS. GREEN: Yes.

6 CHAIRMAN GEORGE: Yeah.

7 MR. JUFKO: Yeah. I -- that's why I took it

8 off, because it wasn't linking properly to the --

9 to the file. This is it.

10 CHAIRMAN GEORGE: Okay. But -- but the paper

11 that we have, this is the real number.

12 MR. JUFKO: That's correct. At this stage.

13 CHAIRMAN GEORGE: Okay.

14 MR. JUFKO: Because we can make changes

15 that --

16 CHAIRMAN GEORGE: Well --

17 MR. JUFKO: Based off of today's meeting.

18 MS. GREEN: But then again, that's not

19 touching reserve.

20 CHAIRMAN GEORGE: Right. And the reserves

21 basically were there for peak projects that might

22 come up, but a lot of those reserves was there for

23 refurbishment of the buildings we've got so that

24 they can continue to be used past their estimated,

25 you know, lifetimes.

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1 MR. WUELLNER: Like we have --

2 MR. JUFKO: Kind of like a maintenance that

3 comes about on a -- on a irregular basis.

4 MR. WUELLNER: Approximately half.

5 CHAIRMAN GEORGE: Yeah. Right.

6 MS. GREEN: And that's another thing we were

7 talking about, was not to go off the tax rolls and

8 have to come back on.

9 MR. WUELLNER: Exactly.

10 MS. GREEN: So, we may have to stay for a
11 while so that we won't have to do that.

12 MR. JUFKO: And I suspect that even if you
13 did something with the tax end of this, you have a
14 couple of choices. You have at least a couple of
15 choices where you keep that same period that,
16 using your example, if that is something that
17 you're really after, and fluctuated a little bit
18 over those six, seven years, and still end up with
19 the same end result and be able to take these
20 projects in -- under your wing. Or, kind of leave
21 it low until you absolutely have to, and maybe for
22 a year or so, just pop it up and still end up with
23 a similar result.

24 CHAIRMAN GEORGE: Yeah.

25 MR. JUFKO: The reserve, you know, we didn't

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1 want to take -- assume that you would be able to
2 use reserves to do this.

3 CHAIRMAN GEORGE: Right.

4 MR. JUFKO: If --

5 CHAIRMAN GEORGE: But reserves are also
6 there, that we could use it if there's a shortfall
7 one year, to go into the reserves, and then it
8 just starts replenishing it back, you know, the
9 next years.

10 MR. BRUNSON: Are these -- are these figures
11 on 19 and 20 reflect that -- in the assumption
12 that we did all of these projects?

13 MR. JUFKO: Yes, sir.

14 MS. GREEN: Oh, yeah.

15 MR. BRUNSON: A hundred percent?

16 MR. JUFKO: Absolutely.

17 CHAIRMAN GEORGE: Are you going to give us
18 a -- part of the presentation as to what the
19 projects are?

20 MR. JUFKO: Oh, yeah. We're going to go
21 through -- through the projects.

22 CHAIRMAN GEORGE: Okay. Before you --

23 MR. JUFKO: I will. Go ahead.

24 CHAIRMAN GEORGE: Before you get off the
25 financial, I need to open it up and see if there's

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1 any public comment on what you presented. I have
2 a couple of questions before I let public comment
3 do it, though.

4 One, I'd like to know what assumptions you
5 used for Grumman in the year 2007. Their lease on
6 the North 40 complex --

7 MR. JUFKO: Uh-huh.

8 CHAIRMAN GEORGE: -- they had a -- was it a
9 20-year lease, Ed? And they paid it up front.

10 So, every year in our financials, we are accruing
11 what we should have gotten, but there's no cash
12 associated with that.

13 But at the end of the year 2007, that lease
14 is gone and so now we have to get back on a cash
15 basis, you know, or some other arrangement. So, I
16 was just wondering what you put in the revenues

17 for the Grumman facility, because that's a big
18 facility, and you could be talking -- I've heard
19 numbers of \$400-, \$500,000 a year in lease money
20 coming from that. I just wonder what you guys
21 used.

22 MR. JUFKO: No, there was no specific
23 manipulation, knowing that that agreement's coming
24 up. It was treated similar to the other -- other
25 revenues.

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1 CHAIRMAN GEORGE: Because that's a major
2 piece that I would like for you to go back and
3 readdress with Ed. Does everybody understand what
4 I'm talking about there?

5 MR. BRUNSON: I do.

6 MR. JUFKO: I mean, that's easy enough to do.
7 What we do is --

8 CHAIRMAN GEORGE: Right.

9 MR. JUFKO: -- at that time frame --

10 CHAIRMAN GEORGE: But that could -- all
11 that's going to do is -- is skew your revenue even
12 higher, which may erase some of the shortfall --

13 MR. JUFKO: Sure. Sure, it could.

14 CHAIRMAN GEORGE: -- so it's freed them up.
15 So, I'm not too much worried with the shortfall
16 right now.

17 MR. JUFKO: And what we wanted to try to
18 avoid, at least at this phase, Mr. George, was
19 that --

20 CHAIRMAN GEORGE: You can call me Wayne.

21 MR. JUFKO: That's okay. That -- but you're
22 at the head of the board now.

23 MR. BURNETT: He gets paid --

24 MR. JUFKO: We don't want to necessarily
25 throw a lump of cash in any one year unless we can

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1 justify that. And that -- that's why we didn't
2 want to just --

3 CHAIRMAN GEORGE: But I think that that lease
4 expiring is a --

5 MR. JUFKO: Absolutely.

6 CHAIRMAN GEORGE: -- real justification.

7 MR. JUFKO: And as of 2007 --

8 CHAIRMAN GEORGE: Whatever. Ed's got the
9 number. I think it's at the end of 2007, is when
10 their present arrangement is over. So that's --

11 MR. JUFKO: And they would go under a new
12 arrangement, and if they're on a cash basis, then
13 that would grow like the rest of our revenues.

14 CHAIRMAN GEORGE: Right. Now, they might do
15 another lump sum up front, you know, like they did
16 in the past. But the point is that right now,
17 we've already spent their money that they gave us
18 10, 15 years ago.

19 MR. JUFKO: That was my question.

20 CHAIRMAN GEORGE: So, that's gone. So, we're
21 not getting --

22 MR. JUFKO: You have used that money.

23 CHAIRMAN GEORGE: Right. We're not getting
24 any revenues from that.

25 MR. JUFKO: Okay.

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1 CHAIRMAN GEORGE: Now -- excuse me. We're
2 not getting any cash. We're getting revenues that
3 we're taking credit for, and -- and maybe that's
4 one of the -- when you look at this, you might be
5 already considering those revenues --

6 MR. JUFKO: Because you're accounting for it
7 every year.

8 CHAIRMAN GEORGE: Right, those revenues that
9 we have been accruing with no cash. All I'm
10 saying is go back and relook at that, because that
11 is a significant fact of something is going to
12 happen that could dramatically be...

13 The other thing I would like to point out is
14 this board, in its infinite wisdom of trying to
15 make sure that we had as good a chance as possible
16 of getting off the tax rolls in the seventh year,
17 this past year, elected to keep the millage the

18 same. That gave us a \$300,000-a-year increase in
19 revenues coming from ad valorem taxes. I notice
20 that you're not showing those \$300,000.

21 MR. JUFKO: We wanted as -- as the first
22 pass, we wanted to go similar to the plan that you
23 had put out last summer, you know, where it was
24 under discussion --

25 CHAIRMAN GEORGE: Yeah.

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1 MR. JUFKO: -- we wanted to start there as a
2 starting point. We realize that with population
3 going up and --

4 CHAIRMAN GEORGE: No, no, no. What we did,
5 we -- this is already in effect, okay? We did it
6 last September. We approved the budget plan to
7 leave the ad valorem taxes at the same millage
8 rate as opposed to rolling it back.

9 Now, if we roll it back every year from now
10 on, we will maintain that \$3.2 million.

11 MR. JUFKO: Yeah. That's a roll-back rate.

12 CHAIRMAN GEORGE: Not \$2.9. So, what I'm

13 saying is there's \$300,000 in ad valorem tax money

14 that --

15 MR. WUELLNER: You haven't accounted for yet.

16 CHAIRMAN GEORGE: -- needs to be shown in

17 this plan. And that again could erase some of

18 the --

19 MR. JUFKO: Is it the intention to do both?

20 Well, it's a year-by-year thing. But is it the

21 intention to go to a roll-back status?

22 CHAIRMAN GEORGE: All I can say is that the

23 past boards have gone roll back, and in September,

24 this board will get together and decide what they

25 want to do based on the plan. But I know it's

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1 going to be predominant in their minds that we

2 want to make sure we're off the tax rolls in seven

3 years.

4 And if can make it in six, we're going to
5 make it in six. But we don't want to slip it to
6 eight because we didn't get the revenue of this
7 project didn't come on line and everything.

8 I'm just trying to say --

9 MR. JUFKO: Our question --

10 CHAIRMAN GEORGE: -- that if you're trying to
11 be consistent with -- to give FAA some numbers,
12 those are the numbers that -- that I think should
13 be showing.

14 MS. GREEN: Uh-huh.

15 MR. JUFKO: Our question for the Authority
16 then would be the important thing here is seven
17 years off the rolls or sooner --

18 MS. GREEN: We were in our budget --

19 MR. JUFKO: -- as opposed to the rate?

20 MS. GREEN: In our budget proposal, it was
21 off five, but we might have slippage and six go
22 back on seven, which is what we do not want to
23 have happen. So, I think we were all consistent
24 like, all right, if we need to stay on through

25 five -- and I think it was five and seven, were

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1 the two --

2 CHAIRMAN GEORGE: Well, what they were saying

3 was that we could reduce it to five --

4 MS. GREEN: Right.

5 CHAIRMAN GEORGE: -- but we wouldn't build up

6 the reserve.

7 MS. GREEN: Right. So, we want to stay

8 through seven. Yes, that's what -- that's what I

9 think the board was saying.

10 CHAIRMAN GEORGE: Right.

11 MS. GREEN: We don't want to slip off and

12 come back. So, I think it is through seven, yes.

13 MR. WUELLNER: Can't tell whether it's on or

14 not.

15 CHAIRMAN GEORGE: Got a toothache there?

16 MR. WUELLNER: Trying to -- it is on? Okay.

17 Too many years on the airport.

18 The -- a couple of things you need to point
19 out. There's still a little bit of tweaking in
20 the capital improvement program that's got to go
21 on. This -- this got to us a little late to
22 provide some consistency comments with what's
23 programmed with the various grant agencies. So,
24 we'll be working with them closely in the next
25 week to two weeks to wrap -- make sure there's

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1 consistency there.

2 Also, you guys, you adequately -- I mean,
3 you're perfectly right in your pointing out that
4 the baseline ad valorem millage for forecasting
5 that they're using is -- is inconsistent right
6 now, mainly because the -- the modeling that was
7 turned over to them was what was did --

8 CHAIRMAN GEORGE: Was prebudget, exactly.

9 MR. WUELLNER: -- in June.

10 CHAIRMAN GEORGE: Right.

11 MR. WUELLNER: Okay. So, they -- that's a --
12 that's a -- that's a good catch, basically, and
13 that will make a huge difference.

14 Also, you also hold the keys that are not
15 currently forecasted in the forecast that we did
16 and -- and not in his, either, which is how you
17 treat ad valorem taxes over the next several
18 years.

19 You know, if you -- if you -- you know, if
20 you begin to take the rolled-back rate and hold
21 the -- what -- what today's magic number is, 3.3,
22 3.4 in round numbers, and -- and hold that number
23 over the next four or five years, it's a different
24 impact than continuing to take the rolled-back
25 rate -- or not take the rolled-back rate and hold

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1 the millage --

2 CHAIRMAN GEORGE: Oh, absolutely.

3 MR. WUELLNER: -- current. And in that case,

4 you continue to generate another \$300,000 above
5 what you did this year, perhaps three-six,
6 three-nine the following year. You know, you're
7 up -- up over four, four and a half million
8 dollars perhaps at the year five, but as a result,
9 you've totally -- you've in theory totally reduced
10 any need to go beyond five years. You've --
11 you've dramatically increased the -- the reserves,
12 and also, I would think totally eliminated any
13 need they've got here.

14 So, I think those two things are going to --
15 going to bode very well in -- in looking forward
16 on the -- on coming to -- coming to the numbers
17 here.

18 Also, I would just kind of point out that, I
19 mean, obviously we all have the same desire to be
20 as accurate as possible in submitting this to FAA;
21 however, this -- this is really just -- you know,
22 it is just a planning document. It is not, you
23 know, what I would consider a reliable financial
24 forecast of where the Authority is. That's
25 something we need to do continually, working with

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1 you, and probably more appropriately as -- as
2 staff, in making sure we're continually on the
3 same page, at least the once-a-year effort as we
4 move through the three or four months of budget
5 work that we do; wherein we update the forecast to
6 accurately reflect what's really happened in the
7 previous year and what we really think will happen
8 as -- as we get our hands around current year
9 grant projects and -- and things of that nature.

10 Not every -- it's absolutely unrealistic to
11 believe that every project represented in -- in
12 this Master Plan or any other master plan for that
13 matter, are -- are going to happen. They -- they
14 aren't going to happen from a -- from a need
15 perspective. In some cases, they're not going to
16 happen from a funding standpoint in other cases.

17 So, it -- it's a good look-see to -- to be
18 comfortable that what you're representing in your

19 Master Plan is -- is -- I'll use the term
20 "doable." It's not really a word, I guess, but,
21 you know, that it can be accomplished if -- if
22 everything were to happen in the perfect world
23 described in the Master Plan.

24 But the reality is, it's -- it will vaguely
25 resemble that in ten years, looking backwards.

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1 CHAIRMAN GEORGE: Understand this is a
2 planning document and understand that every year
3 this board has an opportunity to change. All I'm
4 saying is if you're putting together a planning
5 document, it should at least reflect the present
6 thought pattern and the activities that go on.

7 Your financial model that showed us, you
8 know, at seven years --

9 MR. WUELLNER: Uh-huh.

10 CHAIRMAN GEORGE: -- you know, that's going
11 to have to be updated at the budget next year.

12 MR. WUELLNER: Every year.

13 CHAIRMAN GEORGE: Every year. And I would
14 hope, since that is in place right now, that the
15 next seven years, that is in sync with the Master
16 Plan.

17 MR. WUELLNER: Yeah, it will be. It isn't --
18 it isn't currently, but it will be after the
19 legislative session adjourns here in the next 30
20 days or whatever, whenever they get through
21 arguing up there.

22 Once that's -- that's cemented for the next
23 adopted work program element with -- with Florida
24 DOT, and the submittals through the JACIP process
25 are tweaked by Florida DOT and the Federal

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1 Aviation Administration, we now have the latest
2 and greatest snapshot of what their funding
3 picture looks like, which lets us do the update
4 and get as -- again, as realistic as possible for

5 that moment.

6 CHAIRMAN GEORGE: Right.

7 MR. WUELLNER: And we'll see what --

8 CHAIRMAN GEORGE: And I recognize if we

9 publish this on April 17th, on April the 18th,

10 something could come up, you know, that blows it

11 out of the water and we wind up going out for a

12 bond because we have to build 500,000 square feet

13 in the middle of the Everglades somewhere. That's

14 going to happen.

15 MR. WUELLNER: Stuff happens. Right.

16 CHAIRMAN GEORGE: All I'm saying is right

17 now, it's 3.2 or 3.3; make this document reflect

18 that.

19 MR. JUFKO: Not a problem. We can do that.

20 The other thing, just to tag on to what Ed was

21 saying, is that this is a snapshot. And the

22 authorities know that. The agencies know that.

23 They just want us to be able to show the ability.

24 If you're going to put a bunch of projects in a

25 given year, please show us how you're going to do

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1 it.

2 CHAIRMAN GEORGE: Right.

3 MR. JUFKO: And this is not designed to -- to

4 give you the inner workings of this Authority,

5 although there's quite a bit of work that went

6 into it to get it as -- as close as possible. And

7 that's where we went with it.

8 MR. WUELLNER: And probably one more point

9 that just needs to be made because it -- it

10 occasionally gets befuddled in the mix, is that

11 even if the -- no matter what we show on the

12 Master Plan, it's not a commitment by those

13 entities to fund it.

14 CHAIRMAN GEORGE: Absolutely.

15 MR. WUELLNER: So --

16 MR. JUFKO: Oh, yeah. Sure.

17 MR. BRUNSON: Let me understand this: Is

18 this in any way -- say if we look at this seaplane

19 ramp that we've got plugged in there, if we would

20 take that out, would that jeopardize our grant?

21 MR. WUELLNER: The only thing it jeopardizes

22 is that particular grant. It does nothing else.

23 MR. BRUNSON: Well --

24 MR. WUELLNER: If you determine it to be

25 unnecessary --

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1 MR. BRUNSON: Well, I don't see any problem

2 with -- with putting all this that we want to do

3 before the FAA and let the chips fall where they

4 may. Now, what we do might be different.

5 MR. WUELLNER: Absolutely. It will be, I

6 guarantee you.

7 CHAIRMAN GEORGE: Absolutely.

8 MR. JUFKO: This is a recommendation. And I

9 can tell you right now, and just like I was just

10 saying at the very beginning, there needs to be

11 some deconflicting. This is our shot at -- and

12 especially in the given year, they just -- airport
13 just submitted their latest choices, and we need
14 to -- to bring those into alignment even.

15 MR. WUELLNER: The timing is -- is in a sense
16 fantastic. At the same sense, it's kind -- it's
17 been difficult, because we're -- we're at a --
18 last Friday was the -- was the cutoff date that we
19 have access in the current year to provide input
20 into the federal and state grant programs with our
21 requests. And they will now take that request or
22 all those requests that generally reflect what is
23 being recommended in the Master Plan, to some
24 extent. But they'll make funding decisions on our
25 behalf, based on a ranking that we gave them of

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1 alleged priority.

2 Not all of those projects will be funded. In
3 fact, many of them will not. And as a result,
4 decisions moving forward will need to be made as

5 to what the priorities are. You'll have a finite
6 amount of money available on the federal and state
7 programs, and it will not necessarily reflect --
8 in fact, I can guarantee you it will not reflect
9 all the projects shown in here.

10 And -- and that only does -- you know,
11 typically we've been able to preserve the revenue
12 development projects pretty well, because those
13 are critical to our long-term success.

14 Some capital projects that have little or no
15 revenue development ability to them may get
16 deferred a year or two or three or four, whatever
17 ends up being appropriate, and may never get
18 constructed. But obviously our priority, short
19 term, anyway, "short term" being five years or
20 less, is to maximize the revenue development
21 potential on the airport and see where -- you
22 know, see if we can't get there, get that
23 financial goal realized and then proceed as we
24 can.

25 MR. BRUNSON: That's what's important.

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1 CHAIRMAN GEORGE: All right. Let's take a
2 quick check point, you know, and kind of not
3 summarize, but -- we just got through talking
4 about the financial plan and the basis behind that
5 and what it is there for.

6 Let me open it up to any public comment that
7 they might want to make about the financial plan,
8 and then the board members will give theirs.

9 MR. HICKOX: Wayne Hickox, 881 Queen Road.
10 Four projects in the long-term development costs
11 come to mind, and I'm just curious as to what
12 you're looking at here. Expand/renovate airport
13 administration offices. That implies a big
14 increase in staff, I would assume. Expand and
15 renovate airport maintenance facilities.
16 Expansion of the general aviation terminal and
17 auto parking.

18 Construction of a multi -- multimodal
19 terminal facility. What multimodal terminals are

20 we going to -- or services are we going to be
21 employing here?

22 CHAIRMAN GEORGE: Yeah.

23 MR. HICKOX: And it all -- it all sounds like
24 nonrevenue-producing expansion, and I'd be
25 interested in hearing what -- where they began,

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1 where they're coming from with these.

2 CHAIRMAN GEORGE: Okay. Before -- Wayne,
3 before we get into that, I -- I really want the
4 comments on the basis of the financial that are
5 forecast, and then the next thing he's going to go
6 into is each one of the projects, you know.

7 MR. HICKOX: Oh, okay.

8 CHAIRMAN GEORGE: That -- if you don't mind.

9 MR. HICKOX: All right.

10 CHAIRMAN GEORGE: Any other public comment
11 just about what we've talked about, about the
12 financial plan?

13 (No further public comment.)

14 CHAIRMAN GEORGE: Any other board comment
15 other than what we've said?

16 MR. BRUNSON: No.

17 CHAIRMAN GEORGE: Okay. Then we'll continue
18 with the individual projects.

19 MR. JUFKO: And in light of that, we will get
20 to the long-term, but the long-term projects are
21 not included in this financial plan, just so
22 you're aware.

23 That takes us all the way up through what we
24 call the intermediate period. And the long-term
25 projects, they're so far -- and you've heard us

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1 say this before. Anything -- even with the
2 forecast, anything past ten years, you're -- you
3 may be taking an educated guess, but you're still
4 taking a guess. And there -- based on the layout
5 that we've come up with for the airport going

6 through the process, there are a number of
7 projects that do come out of that.

8 MR. HICKOX: My reason for asking questions
9 through the Chairman was --

10 MR. JUFKO: Yes, sir.

11 MR. HICKOX: -- that if you'll remember at
12 the last meeting, we raised the question of maybe
13 converting the status of the airport to a
14 general -- from general aviation to commercial.

15 CHAIRMAN GEORGE: Uh-huh.

16 MR. HICKOX: And just the way these things
17 sound, that might be something that should be
18 considered down the road, just given the growth of
19 the airport.

20 CHAIRMAN GEORGE: Yeah.

21 MR. HICKOX: That's the only reason why I'm
22 raising it.

23 MS. GREEN: We did that -- that was an
24 addendum that we requested.

25 CHAIRMAN GEORGE: Yes.

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1 MS. GREEN: Right. To look at the
2 commercial.

3 CHAIRMAN GEORGE: Doesn't the addendum on the
4 forecast --

5 MS. GREEN: It's on the addendum -- yeah.
6 No, you're absolutely right. We had looked at
7 that.

8 MR. JUFKO: This -- this has always been --
9 this study has always been focused with that
10 long-term kind of thinking in mind.

11 MR. HICKOX: I'm sorry. I didn't mean to
12 jump ahead. I didn't know if that was --

13 MR. JUFKO: That's all right.

14 CHAIRMAN GEORGE: All right.

15 MR. JUFKO: If we go through the short term,
16 because that's -- that's probably the -- the most
17 critical for us and -- and also the beginning of
18 the next -- the intermediate term, we're basically
19 in '05.

20 There are some changes, as Ed had said, that
21 we will have to -- to undergo here, but just to
22 give you an idea, there were some projects already
23 in the JACIP program for the airport that did stay
24 intact, and wherever possible, we tried to include
25 the Master Plan recommended projects and give them

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1 a fairly consistent type of nomenclature so that
2 we could keep track of them in the future, because
3 anyone that's familiar with some of the breakouts
4 of these year-to-year basis, it can vary.

5 And so, what we've done up here is we've got
6 south GA corporate-type hangars, commercial
7 hangars. There's -- there's some -- we're still
8 in that -- we can't change the names yet, but
9 starting in 2008 and -7, we can kind of give our
10 recommendation. Airport can call them whatever
11 they want to track them, but we're trying to track
12 them here in -- in the plan.

13 And also, we wanted to be able to, if we left
14 a project that was already in the JACIP, we wanted
15 to keep that name so we wouldn't cause too much
16 confusion.

17 Projects where we had the ability to upgrade
18 the price, we did that, if it wasn't already in
19 the -- in the mill, already in the works. We went
20 back and did estimates of costs associated with
21 projects.

22 It's important to point out that the south GA
23 area that's currently being developed and that is
24 under funding was recalculated to reflect that
25 design that's going on currently, as opposed to

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1 the much larger ticket item that we had at an
2 earlier phase of the Master Plan.

3 What that means later on is when we -- we'll
4 subtract that from the overall south GA
5 development cost and phase the remaining dollars

6 over a logical span of time.

7 We -- we go through here. There's

8 environmental -- this is a remnant of the JACIP.

9 What we have done here is called it \$175,000, and

10 we do it again in the following year. I hope I'm

11 not called a liar. There we go.

12 That represents the cost of what your typical

13 EIS might go for for runway extension, two-year

14 project. Like I said, next year's JACIP could

15 look totally different than this, but we're trying

16 to give a breakout of -- of key projects.

17 There's also hangar development going on.

18 Up -- we have some -- some north GA hangar develop

19 based on what we had phased in the requirements

20 phase of the Master Plan. We use that as our

21 primary tool.

22 The ultimate buildout, the upper end of that,

23 actually was based off of the -- the alternatives

24 concept that we ended up with. What can you get

25 out of that? And that's how we looked at, you

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1 know, building out the south GA and the north GA
2 areas, because if you do the -- just the
3 straightforward calculations and try and say, hey,
4 this is what you really need based on your
5 forecast, you wouldn't be building anything out
6 here. We've been around this before.

7 You have this pent-up demand for hangar
8 facilities here at St. Augustine, and we recommend
9 you build quickly.

10 There are some mitigation and environmental
11 aspects associated with some of the projects that
12 are -- that are ongoing that have already been
13 in -- in the works here. We have -- I'm looking
14 for it. There it is. Taxiway is coming up.

15 That's to extend to the existing end.

16 And we left the land acquisition items that
17 have been a yearly-type entry. What we did is we
18 got a feel for what that was over a period of time
19 and then just divided it up equally.

20 Oops. Did I go too far? That takes us into

21 here. Now, we have just started dealing with some
22 of the costs associated with the runway
23 development. Takes us into the next phase. I've
24 got to get us -- get a better view here.

25 If we go in here, and we're looking at --

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1 here's another way of breaking out part of that
2 runway project, the safety area improvements. It
3 is likely, after talking to the airport on Friday,
4 that these projects here associated with runway 20
5 and 24 may actually move to a later year.

6 We have an opinion, and we still have to talk
7 about this a little bit. One of the things is if
8 you were to go into an environmental impact
9 statement for the runway and if we were able to
10 tie the safety area improvements to the other two
11 runways to that effort, we would be able to go
12 ahead and do this. However, you have to be able
13 to do the construction within a certain time frame

14 of doing the environmental. And we weren't too
15 sure that we could actually accomplish that.

16 So, this was -- this was the first take.

17 We -- we thought it would be a good idea to do it
18 while you're out there dredging, to fill the one
19 end of the runway off of 31. Why not do the other
20 two? There -- there's deficiencies there.

21 However, the timing and the cost may -- may get
22 us, and that's something that we'll have to
23 revisit with the airport. And then we've divided
24 out the runway 31 projects.

25 Notice that even though we've got some fairly

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1 significant projects going on in terms of
2 nonrevenue-producing, we still are working our
3 revenue-producing projects in there as we can.

4 And this is -- this is just basically a -- these
5 are based off of the phase development that was
6 identified during part of the -- excuse me, the

7 requirements in the alternatives analysis for
8 these respective areas.

9 Another point I want to bring out, there's a
10 way we refer to these projects in here, and it's
11 going to change slightly even between now and the
12 time we finalize this, because I think there's
13 going to be some difference. We want to clean up
14 some of the nomenclature. We refer to the
15 pavement-type projects in one manner, and we
16 separate the hangar projects. In other words, we
17 don't put them together, primarily because they
18 are funded differently.

19 If you're looking for grant funds to deal
20 with taxiways and aprons, you're -- you're going
21 to have a different type of participation than if
22 you were to go with hangars, which wouldn't get
23 federal participation. So, that's why we don't,
24 for this purpose, combine them. And this way, you
25 can see exactly what we have there.

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1 We've also worked in -- land acquisition goes
2 throughout. There's an item in there that -- that
3 hung on there, industrial park infrastructure.

4 CHAIRMAN GEORGE: Is there a write-up on each
5 one of these projects to -- maybe just a paragraph
6 that says what it is, as opposed to just the
7 title?

8 MR. JUFKO: No, there isn't.

9 CHAIRMAN GEORGE: Okay.

10 MR. JUFKO: However --

11 CHAIRMAN GEORGE: My next question is, does
12 the Department of Transportation, are they going
13 to use this Master Plan for the next five, six,
14 seven years to put into their master plan of what
15 kind of funding we're going to be -- St. Augustine
16 is going to be looking at for them? Or is this
17 just a reference document that's out there?

18 MR. JUFKO: It's kind of both. It's a
19 reference document. It -- it shows the
20 justification for these projects in the -- in the

21 form of the plan itself.

22 CHAIRMAN GEORGE: Okay.

23 MR. JUFKO: However, every year when you go

24 back to deal with funding through the JACIP

25 program, there -- there has to be a description of

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1 what those projects are every year. Remember,

2 this is a snapshot in time --

3 CHAIRMAN GEORGE: I understand.

4 MR. JUFKO: -- during the Master Plan.

5 However, the airport has to go back every year and

6 reevaluate its projects and justify to DOT and FAA

7 their ability to pay for those projects if they're

8 going to, you know, put their hat in the ring.

9 CHAIRMAN GEORGE: Ed, we give DOT, what, a

10 five-year update on what kind of funding we're

11 looking at -- for assistance from?

12 MR. WUELLNER: Longer than that. Longer than

13 that. Outward of --

14 CHAIRMAN GEORGE: Is this consistent with
15 that?

16 MR. WUELLNER: It's -- it's becoming
17 consistent.

18 CHAIRMAN GEORGE: Okay.

19 MR. WUELLNER: We've got a few last-minute
20 tweaks to work out from last Friday's adjustments.

21 CHAIRMAN GEORGE: Okay.

22 MR. WUELLNER: But there -- there might -- I
23 would describe them as minor in nature. The vast
24 majority is shown. And if you're looking for a
25 little more detail, we -- we are required to enter

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1 a very brief, less than a paragraph, few sentences
2 kind of description of each project, and we do
3 have that. We can even print that off of the
4 capital program that we use with DOT and FAA.

5 CHAIRMAN GEORGE: What I would like to see,
6 and we can bring it up at -- at the workshop

7 next -- the next meeting, but I would like to see
8 by category a forecast of what -- what you're
9 putting in here by year.

10 For instance, T-hangars. We're showing them
11 this year to put 12, three rows of 12, and we're
12 showing two years later to put this, but have it
13 all basically on one line so I can get a feel
14 for --

15 MR. WUELLNER: Show T-hangars --

16 CHAIRMAN GEORGE: -- for what it is.

17 MR. WUELLNER: -- in what years.

18 MR. JUFKO: In the year that they would be
19 funded?

20 CHAIRMAN GEORGE: Exactly, right. I don't
21 know if that would be --

22 MR. WUELLNER: That's easy enough to do.

23 CHAIRMAN GEORGE: -- meaningful at all. You
24 know --

25 MR. BRUNSON: It would help me.

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1 MR. WUELLNER: The way the capital programs
2 are going with the state and federal government,
3 that's becoming more normal in how we enter it.
4 It's multiyear funding. We don't redescribe the
5 project --

6 CHAIRMAN GEORGE: Yeah.

7 MR. WUELLNER: -- for them over and over and
8 over again.

9 MR. JUFKO: That's easy enough to do.

10 CHAIRMAN GEORGE: Yeah, we've got major
11 things that we --

12 MR. WUELLNER: We used to, but we don't now.

13 CHAIRMAN GEORGE: -- that we look at here,
14 and that would be T-hangars, commercial hangars,
15 you know, and the like.

16 MR. WUELLNER: There are really only a few
17 classifications.

18 CHAIRMAN GEORGE: And it would be nice to
19 have those as categories to see what kind of
20 projects we're planning on.

21 MR. JUFKO: General categories.

22 CHAIRMAN GEORGE: Rather than jumping around;
23 oh, I didn't see the one about the T-hangars over
24 here on the fifth page.

25 MR. JUFKO: Not to mention, we are -- as I

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1 mentioned earlier, we -- we are combining because
2 it's related-type. Before, there used to be all
3 of these separate entries for various parts of a
4 project. And now if it's all related to the
5 runway or taxiway improvement, the lighting, the
6 striping --

7 CHAIRMAN GEORGE: Exactly.

8 MR. JUFKO: -- it's all in there. You don't
9 have to deal with that.

10 MR. WUELLNER: It was. It was very hard to
11 provide some continuity in what a single project
12 entailed.

13 MR. BRUNSON: I -- I think I know the answer
14 to this question, but on these construction

15 estimates of the hangars or buildings, was -- was
16 any thought given to the increase in impact fees
17 and do we pay them?

18 MR. WUELLNER: No. No thought's been given
19 yet, since that just passed a few days ago. And,
20 yes, you do pay impact fees currently. However,
21 the short-term -- as soon as we can get off
22 ad valorem, we will no longer be subject to
23 ad valorem -- or to impact fees.

24 MR. BRUNSON: Hmm. Are you sure?

25 MR. WUELLNER: It's a long drawn-out story as

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1 to why, but --

2 MR. BRUNSON: Oh, okay.

3 MR. WUELLNER: -- it -- suffice it to say, as
4 the impact fee ordinance is currently drawn, as we
5 get off ad valorem taxes, we are no longer subject
6 for Airport Authority projects.

7 MR. BRUNSON: Okay.

8 MR. WUELLNER: Now, if someone -- you lease
9 land and allow someone to build, they're still
10 subject to it.

11 MR. BRUNSON: As we all know, the commercial
12 and industrial has increased quadruple.

13 MR. WUELLNER: Yeah. It's going to hurt us
14 as well as everyone else short term.

15 MR. BRUNSON: Right.

16 CHAIRMAN GEORGE: Do we need to take a recess
17 in this meeting to start the 4 o'clock meeting
18 or --

19 MR. WUELLNER: I don't think you have to.

20 CHAIRMAN GEORGE: Is the 4 o'clock meeting
21 advertised as --

22 MR. WUELLNER: As a regular meeting. No,
23 it's not a public hearing, so it's not bound as
24 strictly.

25 CHAIRMAN GEORGE: So, we can't change the way

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1 it goes.

2 MR. WUELLNER: I'm correct, Doug? Is that --

3 MR. BURNETT: Yeah. I -- I believe in the

4 fact that it is 4 o'clock, whoever's here for the

5 4 o'clock meeting, are being informed right now

6 that you're continuing on with the workshop and

7 that you'll -- if that's what your decision is,

8 and that you'll start the regular meeting as soon

9 as this is concluded.

10 CHAIRMAN GEORGE: Okay. How much time do you

11 think we're going to -- do you plan on us, another

12 15, 20 minutes?

13 MR. JUFKO: If we even need to do that.

14 Basically, I just wanted to give you an overview

15 of the --

16 CHAIRMAN GEORGE: Okay.

17 MR. JUFKO: -- projects here, because you

18 have copies of it in front of you and here for

19 questions.

20 MR. WUELLNER: If I could throw --

21 CHAIRMAN GEORGE: Okay. We'll go ahead and

22 continue with this meeting. Let me make the
23 announcement to everybody here. The normal
24 4 o'clock meeting was to be right after a 2:30
25 meeting which got delayed. So, we've got another

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1 15 minutes before that 4 o'clock meeting gets
2 started. If you will bear with us.

3 MR. WUELLNER: I was going to suggest you
4 still have an agenda item on -- for Master Plan
5 that we could -- you could convene your meeting
6 and just pick up the balance of this discussion at
7 that, in project updates, if you'd prefer to just
8 move on with the regular --

9 CHAIRMAN GEORGE: That's a good way of doing
10 it.

11 MR. WUELLNER: It's really up to you.

12 CHAIRMAN GEORGE: Okay. Any objection?

13 MS. GREEN: No.

14 MR. WUELLNER: Either way, it works.

15 MR. BRUNSON: No.

16 CHAIRMAN GEORGE: Okay. Let's do that. Then

17 let's -- let's stop this meeting. We will adjourn

18 it, to be included in our regular meeting, which

19 will start right after this. So, this meeting

20 is -- this workshop is -- is closed.

21 (Thereupon, the workshop concluded.)

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1 REPORTER'S CERTIFICATE

2

3 STATE OF FLORIDA)

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5

6 I, JANET M. BEASON, RPR-CP, RMR, CRR, certify

7 that I was authorized to and did stenographically

8 report the foregoing proceedings and that the
9 transcript is a true record of my stenographic
10 notes.

11

12 Dated this 24th day of March, 2005.

13

14

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My Commission No.: DD102224
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